

AR08



***80th Annual Report
Montreal Trust Company***



A black and white photograph capturing a scene of maritime labor. Three men are positioned in a small, narrow wooden boat on a body of water. The man on the left is leaning over the side, while the man in the center stands upright, looking towards the camera. The man on the right is actively pulling on a rope, likely part of a large cod trap net that is visible extending from the boat. The background is dominated by a steep, rugged cliff face composed of large, light-colored rock formations. The water in the foreground shows gentle ripples. The overall composition emphasizes the scale of the rocky landscape compared to the small boat and its crew.

Hauling a cod trap, Cape Harrison, Labrador.

PHOTOGRAPH: GERALD RICHARDSON



80th Annual Report **Montreal Trust Company**

HEAD OFFICE:

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Highlights of 1969

		Increase over 1968
Income	\$ 23,388,005	+14%
Net Profit	\$ 2,035,061	+11%
Net Profit per share	83¢	+ 8¢
Capital and Guaranteed Assets	\$466,748,886	+12%

Report to the Shareholders



The financial statements together with the accompanying notes, record the results of operations for the last fiscal year and the position of the Company at December 31, 1969.

Notwithstanding difficult monetary conditions and continued intense competition among financial institutions, the year 1969 was for our Company a year of expansion and innovation. Net profit for the year is equal to 83 cents a share compared to last year's figure of 75 cents, an increase of 11 percent.

Costs have been kept under close scrutiny and the increase in Salaries and Benefits, our major expense, including salary increases and additions to staff, amounted to \$1,000,000 or 10%.

Combined Guaranteed and Capital Assets increased by \$50,000,000. Reserve account has increased from \$22,000,000 to \$22,500,000. Dividends for 1969 have been maintained at 60 cents. The Directors have continued our regular dividend scale by declaring a dividend of 15 cents per share for the first quarter of 1970.

SERVICES

The growth in volume of services to clients is reflected in the \$3,300,000 or 21 percent increase in Fees and Commissions. This includes fees of \$825,000 awarded by the courts for our services over several years in connection with the Atlantic Acceptance receivership.

Developments of note contributing to expansion were the establishment of our Fundservice Division to give specialized service to the Mutual Fund industry; the opening of a new branch in Windsor, Ontario, on October 2, 1969; and the introduction of a new concept of Estate Planning known as 20/20 Foresight which is already proving that it fills a need in the community and is adding to the number of Will clients.

Improved services to our clients and increased operating efficiency are resulting from a reorganization of the Investment Department. A modern personnel evaluation system has been established and a special study of the whole range of employee benefits is also being conducted.

We have arranged for space in an excellent location for our branch in Hamilton, Ontario, to enable it to provide a wider range of services. In the international field, we are in the process of forming a new company, Montreal Trust (Bermuda) Ltd., in association with the Bank of Bermuda. The prospect for next year is favourable for continued growth in our services to both individual and corporate clients.

INVESTMENT

For the fourth successive year, income from Guaranteed Account reflects a decrease. The decrease of \$561,000 however, is much lower than the \$1,958,000 reported last year. Once again, the interest paid to depositors rose at a more rapid rate than the interest earned.

In the latter part of the year, changes were made in the Guaranteed bond portfolio to improve both earnings and our ability to meet changing financial conditions. The sale of bonds resulted in losses of \$514,000 absorbed in the security reserve as shown in the notes to the financial statements.

The 1970 outlook for Guaranteed Account remains dependent on factors beyond our control. Further losses on sales of bonds will be accepted where there is an opportunity to improve our position. The Government policy of tight money to control inflation has caused interest rates to rise to record levels. An early reversal of the trend of declining income from Guaranteed Account is mainly dependent on a reversal of the rising trend of interest rates experienced over the last four years.

An increase of \$590,000 in interest, dividends and other income offset the decrease in income from Guaranteed Account and arises from higher interest rates, a larger Capital

Account portfolio of investments, and increased cash balances from greater servicing activities.

Dividends from subsidiaries show a decrease and details of income and dividends are set forth in the Notes to the Financial Statements. Treaver Properties Limited again showed a loss but the prospects for reducing this loss in 1970 have improved. The aggregate value of subsidiaries continues to exceed the amount at which they are carried on our books by a wide margin.

ASSETS

The Balance Sheet records a strong liquid position as it did last year. Cash and bank deposit receipts are unusually high as bank deposits paid record interest rates in the latter part of the year. Funds from Savings deposits were reduced slightly during the year due to lower average deposits as other forms of savings including our own deposit certificates competed with higher interest rates. Deposit certificates at December 31 are at a new high.

Our assets are carried at realistic values and details of the Reserve and the changes during the year are set forth in the Notes to the Financial Statements. Reference has already been made to the change in the Guaranteed Account security reserve. With the change in tax legislation governing mortgage reserves, our mortgage reserve provision is no longer allowed as a tax deduction. The \$280,000 tax-paid addition to the reserve is equivalent to the \$560,000 provided last year.

Last year's Report stated we would conduct a larger part of our mortgage operation on the basis of 5-year maturity loans to lessen the effect of extended cyclical changes in interest rates on our earnings. The increase in mortgage loans other than those held for sale under agreement is in such 5-year loans. Introduction of five-year residential mortgages, renegotiable as to interest by the borrower after 2½ years, gained us favourable comment from coast to coast and enabled us to expand our residential loan portfolio with quality loans in a difficult market.

There was a modest reduction in "Properties Acquired by Mortgage Foreclosure" reflecting the sale of one of the two apartment towers and a portion of the lands which constituted the remaining items in last year's figure. The sale of the remaining apartment and land is being actively pursued.

DIRECTORS AND STAFF

Since the last Annual Meeting, the following were elected to the Board of Directors: R. deWolfe MacKay, Q.C., MacKenzie McMurray and J. David Molson of Montreal; J. M. Godfrey, Q.C. and John A. Tory, Q.C. of Toronto and J. William E. Mingo, Q.C. of Halifax.

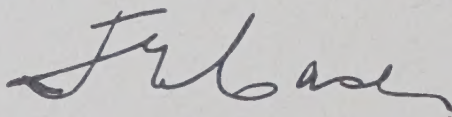
Over the last two years, the Board membership has had a larger than normal number of changes due to restrictive provisions of the Bank Act. The effect of this legislation, insofar as it concerned the Board, is now complete with a further number of our Directors who are also directors of Chartered Banks retiring during 1969. In addition, the Hon. G. P. Burchill and Mr. M. O. Simpson, Jr., retired for personal reasons. Mr. G. M. Hobart, for similar reasons, has decided not to stand for re-election at the Annual Meeting. These changes are reflected in the list of Directors elsewhere in this Report. The advice and counsel of the retired directors during their terms of office is gratefully recognized.

Changes were also recorded in the composition of our Halifax Advisory Board. Mr. A. E. Johnson replaced Mr. F. M. Covert, Q.C. as Chairman and Mr. J. W. E. Mingo, Q.C. was appointed to the Board in January 1969.

In recognition of increased responsibilities, the following were appointed during the year as Executive Officers of the Company: Mr. George Stephen, Vice-President at Head Office and as Assistant General Managers, Messrs. D. R. Kester at Toronto, R. W. Linsley at Vancouver, H. T. Martin at Calgary and W. B. Walker at Montreal.

To the staff, the Directors express sincere appreciation for the enthusiasm, effort and loyalty shown during the past year. The spirit and support of everyone contributing to the year's achievement is warmly acknowledged.

On behalf of the Board of Directors

A handwritten signature in dark ink, appearing to read 'F. E. Case', with a stylized, flowing script.

F. E. Case, President & Chief Executive Officer

Montreal, January 30, 1970

Review of Business

In the Annual Report to Shareholders for the year 1968, reference was made to a major programme of reorganisation, designed to structure the Company's operations to the needs of corporate and private clients in tomorrow's changing world. This, it was stated, would involve systems, services and people.

In the majority of operational areas, this restructuring began to show measurable results at a pace greater than could have been reasonably predicted. Studies of work procedures in important revenue areas have brought about redesign and major efficiencies in terms of labour and cost. Client services have undergone examination to measure income return against work loading in servicing divisions. Where cost/income returns seem unacceptable, steps have been taken to consolidate production at central branches within the system, thus utilising staff and equipment more economically and efficiently.

As a result, the increased volume of business transacted by the Company in 1969 has been processed generally at lower unit net cost and with shorter production time.

It is intended that this programme of reorganisation will be a continuing process within the Company in view of the optimistic forecast for increased sales of our key trust services and the need to bring about more acceptable profit margins under the always present pressure of rising costs over which we have no control.

CORPORATE BUSINESS

While the year under review, under pressure of mounting interest rates, was one in which a reduced volume of new debt issues were floated by Canadian business, the Company maintained its important share of such corporate appointments. During 1969 we were appointed as trustee of corporate debt issues to a total value of approximately \$560,000,000. Although there is still some doubt as to whether there will be an increase in capital spending by corporations in 1970 over 1969, we can reasonably anticipate a substantial share of new appointments from such financing that develops.

As has been previously reported, we enjoy a leading position as transfer agent of all categories of preferred and common stocks, maintaining close to 1¼ million shareholder accounts for some 1,000 client companies. A number of important new public issues appeared on the market during 1969 and it is a matter of record that Montreal Trust was selected as transfer agent by many of these companies on a basis of our reputation for effective administrative performance. Increasing sales activity in this area of corporate appointments will be continued in the year ahead.

FORESIGHT ESTATE AND WILL PLANNING

During 1969 decisions were made to implement a number of far reaching changes in traditional methods of estate and Will plan-

ning, and the first Foresight Planning Unit, servicing Ontario, was set up at our main Toronto office. By utilising modern machine systems to support a team individually experienced in investments, taxation, succession duties and estate planning, it has been found possible to provide clients throughout that Province with a higher than ever quality of advice in much less time than was heretofore possible. Foresight Planning Units will be in full operation throughout Canada by mid-1970.

The proposed changes in the Federal Estate Tax Act, announced late in 1968 and implemented in 1969, placed heavy demands upon the time of our planning staffs, who were called upon to assist many clients review their estate and Will provisions. However, new executor and co-executor appointments increased to record values for the second successive year as redesigned marketing programmes took effect. Value of sales in 1969 exceeded 1968 by 5% and were up 70% over any annual total prior to 1968.

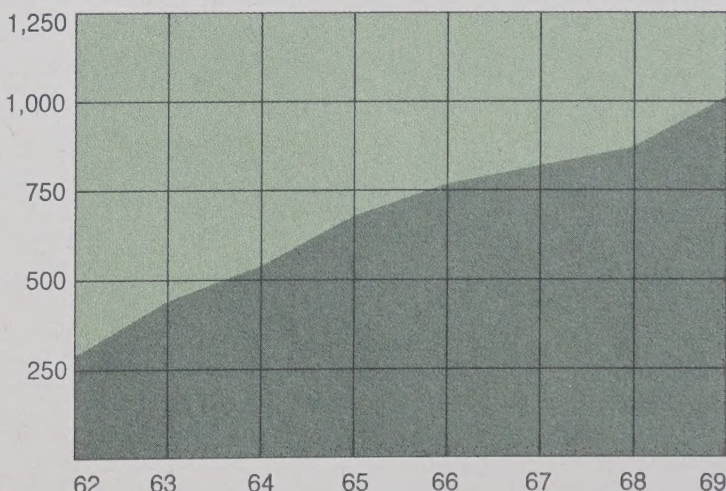
A substantial volume of estate planning is now supplied to clients of the Investors Group of companies.

MORTGAGE LOANS AND SERVICING

The Company maintained its leading role in the Canadian mortgage field during 1969, acting on its own behalf, on behalf of several large insurance companies and on behalf of trustee pension funds. While the effects of tight money and resulting higher interest rates reduced the supply of mortgage funds from every sector of the economy, we were able to place new mortgage loans on both commercial and residential properties to a value exceeding \$93,000,000. This raised the total value of loans under our administration to over \$1 billion, a figure that reflects aggressive growth since we entered the mortgage lending field in 1953.

MORTGAGE LOANS UNDER ADMINISTRATION

MILLIONS OF DOLLARS



While there are currently some 33,500 mortgage loans on our books, our automated processing systems provide us with sufficient capacity to service a much greater volume of business efficiently and economically throughout the country.

In May 1969, on a trial basis, the Company introduced reducing rate mortgages as some measure of protection to borrowers facing the high prevailing rates. Reducing rate mortgages provided a guarantee that should average mortgage rates of interest drop during the first half of the loan term, Montreal Trust would automatically lower the borrower's rate of interest to the current level at the midway mark of the loan. No adjustment of rate upwards would be made if interest rates continued to climb. Public acceptance of reducing rate mortgages was excellent.

REAL ESTATE

The volume of business transacted across Canada by our various real estate divisions showed satisfactory growth in 1969 with a resulting improved contribution to income. Units which had not achieved the market penetration projected for them underwent reorganization with positive results, and given generally satisfactory conditions for mortgage financing in 1970, indications are that sales of both commercial and residential real estate will continue to increase at a steady rate.

Gross commissions earned on Company-wide residential real estate sales advanced 26% over 1968, while in the commercial/industrial sector these increased by 24% over the previous year.

New real estate divisions have been formed in London and Hamilton, while our long established Vancouver division opened a suburban office in Richmond, B.C.

MARKETING AND SALES

The expansion of the Company's sales activities, within the guidelines of a general marketing plan, continued during 1969 and its success in penetrating traditional and new markets was confirmed and measured by an encouraging growth in sales of those services determined to carry the most profit potential, both currently and in the future.

Sales managers with extensive backgrounds in selling and in sales training have been appointed in key areas, to be followed by others elsewhere.

New standards of sales production and measurement have been introduced, affecting not only the professional sales staff but also involving key administrative personnel.

The Company's future plans to market traditional and newly developed financial services to business and to private citizens across the country are based upon a conviction that corporate fiduciaries have barely tapped the available market in Canada, and are limited only by their degree of aggressiveness and

preparedness to use an imaginative approach in selling their most marketable products — integrity, experience and modern day expertise.

FUNDSERVICE

Increasingly over the last few years it had become evident that an important market existed for a fiduciary prepared to offer administrative and custodial services for the mutual fund industry, especially for the new and potentially large "off-shore" funds. Research indicated that such services were sufficiently different in concept from apparently similar stock transfer activities as to require an entirely fresh organisational approach. By the end of 1969 our mutual fund servicing division, centered at Toronto, had successfully achieved its goal of developing original advanced computer systems for the administration of world-wide mutual fund operations, including the ability to produce individual confirmations in any of seven languages in random sequence. Acceptance by the mutual fund industry has been excellent, with a satisfactory backlog of funds waiting for integration into the system. At the present time we are acting on behalf of 18 major funds with a total asset value of approximately \$1 billion.

For international identification purposes the division is now known as Fundservice and occupies separate quarters in Toronto. An office and computer terminal were also opened in London, England, in January 1970. There is reasonable expectation that Fundservice will be a growing contributor to the Company's income and profits as long as investor interest and participation in mutual funds are maintained at today's levels.

MEASUREMENT OF INVESTMENT PERFORMANCE

For many years concern has been felt that no sound, generally acceptable measuring device existed that would permit valid comparisons of the investment performance of the hundreds of pension trusts for which we provide management service. While a number of consulting firms have recently been formed purporting to provide this information on a scientific and unbiased basis, the complexities of the subject are such that extreme care must be exercised in the interpretation of results, in order that conclusions reached are based upon absolutely valid comparisons.

We are keenly aware that any measurement system adopted must be acceptable and meaningful to our clients, their actuarial advisors and to ourselves as trustee, bearing in mind also that each may hold a different viewpoint on what constitutes performance.

After serious and exhaustive investigation, the Company has decided to utilise a measurement system considered to be the most sophisticated now available in North America, and this is being programmed into our computer. Such a system requires an understanding between the client and fund manager in advance as to what constitutes acceptable performance measured against a standard index, from which can then be determined the degree of risk to be assumed in the portfolio selection. It is anticipated that by early 1971 we will be in a position to provide clients with positive, reliable measurement data on our performance as their investment manager.

OUR PEOPLE

There are upwards of 1,700 employees on our staff, some representing the experience and knowledge of a long established, full service trust company and others the advanced technical skills of the electronic age to which many of our services are now deeply committed.

At a point in history when change is so evident and where society's sense of values has undergone an apparent irreversible adjustment, the integrity and attention to detail of those providing advice and help on private and corporate financial matters is of overriding importance to our clients. The Company's business grows and prospers because of its reputation which is, of course, the reputation earned for it by actions of our people within the network of offices and outside in the market place.

It is the intention of Montreal Trust and its employees to continue to emphasise in their dealings with the public those values that have built our reputation over the past 80 years and that will continue to be the standard by which we do business.

Auditors' Report

To the Shareholders, Montreal Trust Company:

We have examined the balance sheet of the Montreal Trust Company as at December 31, 1969 and the statements of income and expense and undivided profits and reserve for the year then ended, and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

Assets held under administration and assets held for guaranteed accounts are kept separate from the Company's own assets and are so earmarked on the books of the Company as to show the account to which they belong. Assets under administration are not reflected in the balance sheet.

In our opinion, these financial statements present fairly the financial position of the Company as at December 31, 1969 and the results of its operations for the year then ended, according to the best of our information and the explanations given to us and as shown by the books of the Company.

Touche Ross & Co.
Price Waterhouse & Co.
Chartered Accountants

Montreal, Que.
January 26, 1970

Statement of Income and Expense

for the year ended December 31, 1969

	1969	1968
INCOME		
Fees and commissions	\$19,225,887	\$15,940,671
Earnings of guaranteed trust funds		
Interest earned	\$26,397,620	23,347,666
Less interest paid	<u>25,161,563</u>	<u>21,550,192</u>
	1,236,057	1,797,474
Interest, dividends and other	2,650,411	2,061,217
Dividends from subsidiaries (1)	275,650	584,150
	<u>23,388,005</u>	<u>20,383,512</u>
EXPENSE		
Salaries and benefits	11,330,910	10,269,877
Other expense	7,829,034	6,816,120
Mortgage reserve provision	<u>280,000</u>	<u>560,000</u>
	19,439,944	17,645,997
Profit before income taxes	3,948,061	2,737,515
Income taxes	<u>1,913,000</u>	<u>905,000</u>
NET PROFIT FOR THE YEAR (2)	<u>2,035,061</u>	<u>1,832,515</u>
Profit on sale of premises	—	620,041
Transfer to undivided profits	<u>\$ 2,035,061</u>	<u>\$ 2,452,556</u>

Notes to Financial Statements

for the year ended December 31, 1969

Note 1:

Net operating profits of subsidiaries, excluding Treaver Properties Limited, for 1969 amounted to \$340,030 (1968 — \$357,882) from which dividends of \$275,650 were paid (1968 — \$334,150). Treaver Properties Limited suffered a loss of \$220,310 in 1969 (1968 — \$291,594) in the second year of operation of the McGregor Place real estate project in Montreal. In 1968, dividends from subsidiaries included a dividend of \$250,000 paid by a subsidiary from its capital gain on sale of an investment. The Company's equity in subsidiaries at December 31, 1969 exceeded its investment therein by \$2,243,100 (1968 — \$2,266,741).

Note 2:

Profits and losses on sales of securities and mortgages are excluded from the Statement of Income and Expense and recorded in the appropriate reserve after adjustment of income tax where applicable. The reserve positions are summarized as follows:

	December 31 1968	Provision 1969	Profit (Losses) 1969	December 31 1969
GUARANTEED ACCOUNT				
Securities	\$4,032,106		\$(513,622)	\$3,518,484
Mortgages	1,450,428	\$280,000	(9,883)	1,720,545
Foreclosed properties	800,000		(179,000)	621,000
CAPITAL ACCOUNT				
Securities	446,078		32,073	478,151
Mortgages	100,318			100,318
	<u>\$6,828,930</u>	<u>\$280,000</u>	<u>\$(670,432)</u>	<u>\$6,438,498</u>

Of these reserves an amount of \$3,591,451 was tax-paid at December 31, 1969 (1968 — \$3,981,882).

Note 3:

During the year options were granted to certain employees to purchase shares of the Company and the price for shares under certain options granted in prior years to currently active employees was reduced. Options on 3,600 shares were exercised in 1969 and the following options were outstanding at December 31, 1969:

Date Granted	Number of Shares	Price
1960	200	\$ 7.28
1964	26,950	12.55
1964	10,000	16.00
1965	7,500	14.00
1968	56,000	11.70
1969	7,000	10.80
1969	5,000	11.25
	<u>112,650</u>	

Balance Sheet

December 31, 1969

	1969	1968
ASSETS		
ASSETS HELD IN TRUST FOR GUARANTEED ACCOUNTS		
Cash and bank deposit receipts	\$ 56,147,635	\$ 28,627,538
Loans, secured	710,030	750,452
Securities, at amortized cost		
Government of Canada	\$ 62,075,886	72,331,530
Provinces of Canada	11,817,435	11,938,527
	73,893,321	84,270,057
Securities, at amortized cost, less reserve (2)		
Canadian municipalities	5,454,546	6,707,452
Other bonds, debentures and corporate obligations	95,824,504	87,371,323
(Market 1969 \$101,488,000, 1968 \$94,490,000)	101,279,050	94,078,775
Subsidiary trust companies' guaranteed investment certificates	5,626,152	2,198,657
Mortgages held for sale under agreement	17,586,391	9,829,135
Other mortgages, less reserve (2)	173,338,715	156,279,978
Properties acquired by mortgage foreclosure, less reserve (2)	8,545,329	11,524,855
	437,126,623	387,559,447
COMPANY ASSETS		
Cash and bank deposit receipts	1,941,288	2,623,731
Accounts receivable and advances to clients	6,003,282	5,699,362
Securities, less reserve (2)		
Government of Canada	64,212	66,461
Provinces of Canada	416,537	441,537
Other bonds and debentures	7,599	7,599
Stocks	6,633,367	5,630,240
(Market 1969 \$8,550,000, 1968 \$7,850,000)	7,121,715	6,145,837
Mortgages, less reserve (2)	524,317	588,657
Investments in and advances to subsidiary companies (1)	8,909,164	8,705,517
Office premises, equipment and leasehold improvements, less depreciation and amortization	4,163,926	4,403,510
Other assets	958,571	821,092
	\$466,748,886	\$416,547,153

Montreal Trust Company

		<u>1969</u>	<u>1968</u>
LIABILITIES AND CAPITAL			
GUARANTEED TRUST ACCOUNTS			
Deposits	\$ 86,475,703		\$ 94,587,367
Investment certificates	<u>350,650,920</u>		<u>292,972,080</u>
		\$437,126,623	387,559,447
COMPANY LIABILITIES			
Dividend payable	366,818		366,278
Accounts payable, prepaid fees and income taxes	<u>2,177,439</u>		<u>2,151,476</u>
		2,544,257	2,517,754
CAPITAL			
Authorized — 5,000,000 shares of \$1 par value			
Issued — 2,445,450 shares (3)	2,445,450		2,441,850
Reserve	22,500,000		22,000,000
Undivided profits	<u>2,132,556</u>		<u>2,028,102</u>
		27,078,006	26,469,952
		<u>\$466,748,886</u>	<u>\$416,547,153</u>

On behalf of the Board:
 F. E. Case, Director
 G. W. Hodgson, Director

Statement of Undivided Profits

for the year ended December 31, 1969

	<u>1969</u>	<u>1968</u>
Balance at beginning of year	\$ 2,028,102	\$ 1,762,085
Transfer from income and expense	<u>2,035,061</u>	<u>2,452,556</u>
	4,063,163	4,214,641
Dividends on capital stock	\$ 1,466,475	1,537,167
Transfer to reserve	<u>464,132</u>	<u>649,372</u>
	1,930,607	2,186,539
Balance at end of year	<u><u>\$ 2,132,556</u></u>	<u><u>\$ 2,028,102</u></u>

Statement of Reserve

for the year ended December 31, 1969

	<u>1969</u>	<u>1968</u>
Balance at beginning of year	\$22,000,000	\$18,500,000
Premium on capital stock subscribed for by employees under stock option plan	35,868	628
Credit arising on issuance of capital stock on acquisition of shares of Investors Trust Company	—	2,850,000
Transfer from undivided profits	<u>464,132</u>	<u>649,372</u>
Balance at end of year	<u><u>\$22,500,000</u></u>	<u><u>\$22,000,000</u></u>

Comparative Data

Year	Income	Expense	Income Taxes	Net Profit	Per Share	
					Net Profit	Dividends ¹
1969	\$23,388,005	\$19,439,944	\$1,913,000	\$2,035,061	.83	.60
1968	20,383,512	17,645,997	905,000	1,832,515	.75	.60
1967	19,367,155	16,033,519	1,360,000	1,973,636	.90	.65
1966	19,192,752	15,591,232	1,572,000	2,029,520	.93	.62
1965	17,681,811	13,788,747	1,856,000	2,037,064	.93	.50
1964	15,767,593	12,190,466	1,695,000	1,882,127	.86	.52
1963	13,637,657	10,756,362	1,325,000	1,556,295	.71	.39
1962	11,491,586	9,019,344	1,050,000	1,422,242	.65	.39
1961	10,554,768	7,867,331	1,289,000	1,398,437	.64	.35
1960	8,711,590	6,574,100	950,000	1,187,490	.58	.36

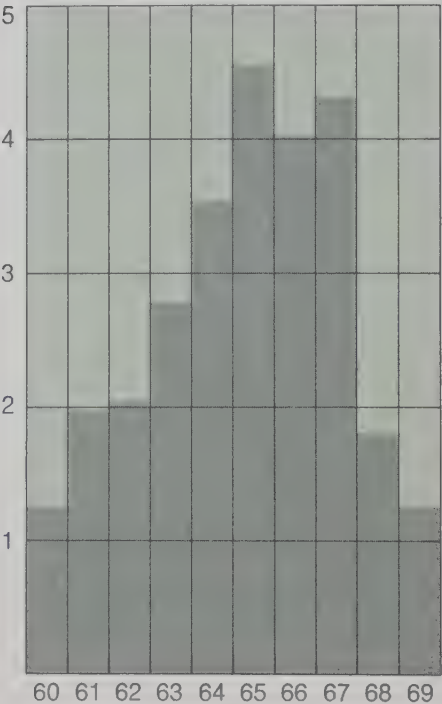
¹Declared with respect to the year's earnings

INCOME BY SOURCE

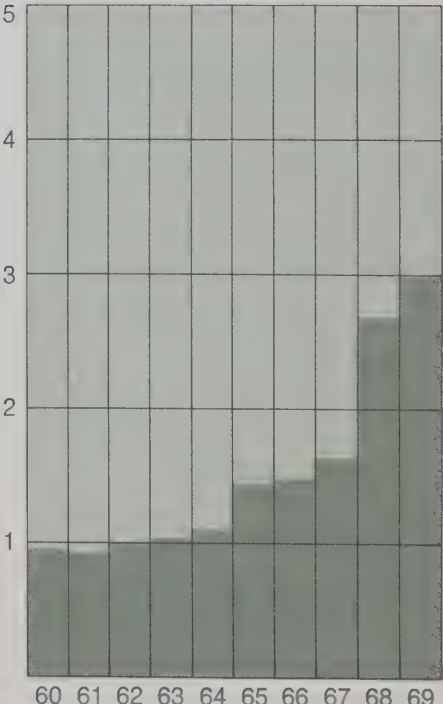
FEES & COMMISSIONS
MILLIONS OF DOLLARS



GUARANTEED ACCOUNT
MILLIONS OF DOLLARS



INTEREST DIVIDENDS & OTHER
MILLIONS OF DOLLARS



Our Services

A full service trust company's business has rarely been satisfactorily explained in its entirety, and it is doubtful that this may ever be achieved in less than book form. The complexities of the financial world, corporate and personal, and the division in Canada between trust operations and banking by legislative enactment, cause us to suggest that if a certain financial service is not clearly known to be within the trust company orbit, a question directed to us is the best procedure. The description of services that follows is therefore limited by space. There are areas in which corporate and personal trust services merge or run in parallel and so it is not always feasible to draw a firm distinction between one and the other. Wherever possible we have tried to do so.

INVESTMENT MANAGEMENT

Investment counselling and management, with many supporting services, is provided for private investors, corporations, institutions, associations, foundations, trusts and beneficiaries who may be either residents or non-residents of Canada. The range of service extends from a minimum ten unit holding (less than \$150) in the *Consolidated Investment Fund* to private *Investment Management Accounts* with no limitation in size. The *Consolidated Investment Fund* is a no-load fund (there are no sales commissions or charges other than a flat annual management fee), offering fixed income, Canadian stock and international equity sections. It is used by private investors and by corporations operating savings and investment plans for their employees. A parallel fund is the *Consolidated Retirement Savings Fund* for Canadian taxpayers wishing to make tax deductible investments in order to provide income after retirement. *Guaranteed Investment Certificates* for amounts in excess of \$1,000 are referred to elsewhere. Investors with portfolios valued at up to \$100,000 may open a private *Investment Management Account* in which their personal portfolio manager has day to day operating discretion. For larger amounts exceeding \$100,000 the method of operating an Investment Management Account is a matter of mutual agreement between the investor and his portfolio manager, with discretionary powers clearly defined.

AGENCY & SAFE CUSTODY ACCOUNTS

Montreal Trust provides the full range of *Agency & Safe Custody* services for private investors, executors, trustees, public bodies and for corporate organizations who wish to have maximum vault security, interest and dividend collection and reinvestment, accounting and administrative services, and who require surveillance and action on conversions, warrants, offers and reorganizations. Our *Income Tax* services are recommended for those who find it inconvenient to prepare and file returns personally.

TRUSTEE FOR NON-RESIDENT INSURANCE COMPANY DEPOSITS

The Company acts as *Depository for Assets of non-resident Insurance Companies*, and, as agent, makes collections, remits funds and carries out all duties that may be required to supervise and administer the securities, mortgages and real estate held in trust as required by law.

GUARANTEED INVESTMENT CERTIFICATES

Sometimes known as *Certificates of Deposit*, *Guaranteed Investment Certificates* are widely used by corporate and private investors. Available for \$1,000 and up for terms between 1 to 5 years and for \$5,000 and up for periods of 10 days to 5 years, rates are published periodically and are available on request. Principal and interest are fully guaranteed by Montreal Trust and there is no maximum limit on amounts the Trust Company will accept.

SAVINGS ACCOUNTS

Two types of savings accounts may be operated in person or by mail. *Personal Reserve Accounts* pay competitive interest rates while *Regular Savings Accounts* with chequing pay interest at above bank rates provided a minimum balance of \$500 is maintained.

ESTATE PLANNING

In our increasingly affluent Canadian society, the need to obtain unbiased *Will & Estate Planning* advice cannot be overemphasized. The Trust Company, as an experienced *Executor & Trustee Under Wills*, is well qualified to give advice on what ought and what ought not to be included in Will provisions to enable a client's true wishes to be carried out fully and accurately. The administration of an estate that is free of complications and anxiety to a family is the foremost personal fiduciary service that Montreal Trust can render. The saving of unnecessary taxes, fees and related costs by taking our advice may be secondary to some, but still important to most.

LIVING TRUST

Both *Revocable & Irrevocable Trusts* are seldom fully understood by those who might benefit by their use. The Trust Company advises on the effectiveness of planning capital and income distribution through the use of trusts and when these are set up, acts as Trustee. At the same time, other related but dissimilar personal trust services are available for a variety of individual circumstances. These include acting as trustee of *Business Insurance Trusts*, *Charitable & Endowment Funds* and trustee under *Marriage & Other Settlements*. We also act as *Administrator of Estates Where There Is No Will*, *Curator of the Property of Incapacitated Persons* and *Guardian of the Property of Minors*.

When called upon, Montreal Trust will assist individual executors, administrators and trustees as *Agent*, when they find such appointments onerous and too time consuming or complex to carry out conscientiously.

MORTGAGES

We are possibly as active in the mortgage field as any other Canadian financial institution, both as a *Mortgage Investor/Manager* and as a *Mortgage Loan Correspondent*. Through regional offices, linked by electronic data equipment, pension funds, foundations, estates and investment trusts may have mortgage monies placed in well secured loans anywhere in the country with continuing close supervision and administration until fully repaid. As *Mortgage Loan Correspondent* we act for a number of large American life insurance companies and have almost unlimited further servicing capacity. Loans are made to both corporate and private borrowers on a wide range of commercial and residential properties.

REAL ESTATE

Montreal Trust specialises in the *Purchase and Sale of Income Producing Real Estate* and normally has substantial sums of investor funds available for acquiring attractive properties. *Commercial and Industrial Real Estate*, raw or developed, is appraised, bought or sold. *Leaseback* situations are evaluated and buyers located. The *Accumulation of Downtown Land Parcels* for large scale development projects represents an important part of our real estate activity and is backed by facilities for major mortgage financing or sale of partial interest. The purchase and sale of *Residential Real Estate* is carried on at major branch locations, with emphasis upon the quality and reliability of service. Corporations wishing to move key personnel quickly to new appointments in other cities can arrange for *Housing Assistance Plan* eliminating employee concern over unsold home and family separation. *Cross-Canada Transferee Service* is available to people moving without employer assistance.



PROPERTY LEASING & MANAGEMENT

Corporate and private investors in income-producing real estate can retain our *Property Managers* to prepare expense/income/profit studies and analyses of various types of properties. We provide *Administration, Leasing & Management* as individual or packaged services, all of which are designed to obtain maximum return to the investor from his holdings.

FARM MANAGEMENT

Certain western branch offices provide a *Farm Management Service* that includes location of tenants for farms, contractual negotiations for tenancies, inspections of buildings, machinery and land, studies and assessments of crop yields and all details relevant to careful stewardship of the owner's property. Only personnel experienced in farm operations are employed in farm management services.

OIL

The Company takes a leading role in a wide variety of *Oil Industry Services*. Senior personnel, under completely confidential conditions, represent many international oil companies in bidding for petroleum and natural gas leases at Federal and Provincial sales and thereafter holding the lease in trust. We act as *Stock Transfer Agents & Registrar* for oil and pipeline companies and as *Trustee of Bond Issues*. Through our considerable experience in the oil business, we offer expert advice on the formation of *Oil Royalty Trusts*, whereby oil & gas interests (leases, overrides, etc.) are deposited under a trust agreement and broken down into units, pro-rated against the number of involved participants. We maintain responsibility for collection and disbursement of all monies derived from the trust assets, and we make rental and other payments as they become due.



PENSION & EMPLOYEE BENEFIT TRUSTS

Montreal Trust provides full investment and accounting service for a wide range of employee benefit plans. These include *Pension Plans* for employee groups of all sizes; *Executive Pension Plans* for senior officer groups; immediate or deferred *Profit Sharing Plans*; *Savings Stock Purchase Plans* that promote employee ownership of company stock; *Thrift or Savings & Investment Plans* that enable employees to build up substantial investment accounts through automatic payroll deductions and thus supplement pension income with a tax-paid lump sum at retirement; *Stock Option Plans* and other confidential remuneration trusts for key executives; and *Supplemental Unemployment Benefit Plans* as provided for by Union contracts. We have many years experience in managing such trusts and our consulting advice is free of charge.

CORPORATE TRUSTEES

The Company has had a long and successful background of experience in acting as *Trustee* for every type of *Corporate Financing*, from the smallest private issue to the extremely large public issues. Our knowledge and experience extends to all phases of industrial, merchandising and natural resources development.

STOCK TRANSFER AGENT & REGISTRAR

Montreal Trust can assist companies considering a public distribution of stock with confidential, unbiased advice on how this may be successfully done at the least cost to the issuing company. The highly automated certificate processing systems we employ include that of *Dividend Disbursements*, while we arrange for annual meeting *Proxies*, act as *Scrutineers* and handle *Redemptions*. In recent years we have handled many major *Acquisition Offers* and can assist in developing economic yet successful methods of soliciting deposits of stock upon such offers being made.



ACQUISITIONS & MERGERS

An active professional service of *Company Acquisitions and Mergers* is carried out by a separate company division at Montreal. Services provided include consulting on diversification programmes and corporate development, including analysis of the client's skills, resources and strategic assets preparatory to evaluating industry groups for the purpose of locating a strategic match. Specific companies are studied with particular attention to marketing product line and management capability and thereafter we will initiate discussions and negotiations and continue as active participants until the purchase is concluded. Montreal Trust accepts retainer contracts as search and acquisition consultant but devotes the bulk of available time to individual merger or acquisition situations. We also act as independent advisors to corporate management on offers and counter offers.

MUTUAL FUND SERVICING & CUSTODIANSHIP

We have taken a leading position in Canada as *Administrator of International (Off-Shore) Mutual Funds* and in providing custodianship when appropriate. This complex and highly computerized service is programmed for uniformity with advanced investor servicing practices followed by the U.S. parent funds. Known as *Fundservice*, this Company's division is located in its own premises at Toronto and is directed and staffed by specialists with extensive international experience in mutual fund administration. *Fundservice* supplies similar services to new *Canadian Mutual Funds* and to established funds that have experienced work load problems.

PRIVATE COMPANIES

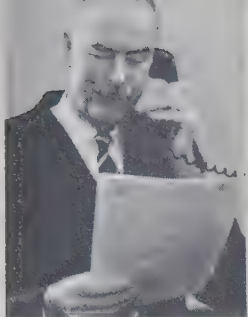
Montreal Trust offers *Secretarial and Accounting Service* for companies not wishing to maintain their own staffs. These duties include *Preparation of Canadian Corporation Income Tax Returns, Maintenance of Minute Books and Corporate*



Books of Account. Non-residents incorporating private companies under Canadian law and unfamiliar with tax and other requirements governing such operations can benefit from this service, which includes supporting consulting advice.

FINANCIAL CONSULTANTS TO NON-CANADIAN INVESTORS & CORPORATIONS

We provide *Advice on Business and Investment Matters* to private investors and corporations seeking to do business in Canada and who would prefer in the first instance to investigate market opportunities confidentially and without publicity. Our range of specialist services are of particular value to those contemplating a major capital investment and, through our prior experience of similar situations, can reduce the elements of doubt and risk to an acceptable minimum.



G. R. BERRY



C. E. STANFIELD



A. E. BEAUVAIS



J. G. HAXTON



J. J. SAUCIER



T. R. MOORE



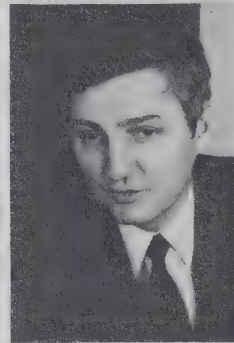
A. E. SHEPHERD



F. E. CASE



G. B. FOSTER



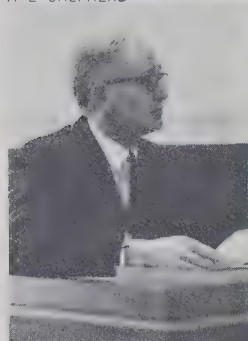
P. G. DESMARAIS



S. A. COBBETT



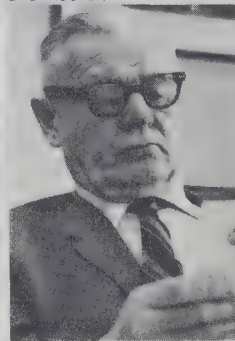
J. A. TORY



G. H. D. HOBBS



J. W. E. MINGO



G. L. CARRUTHERS



C. E. ATCHISON



W. N. HALL



G. C. MORRISSETTE



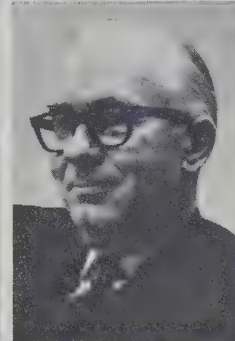
K. H. BROWN



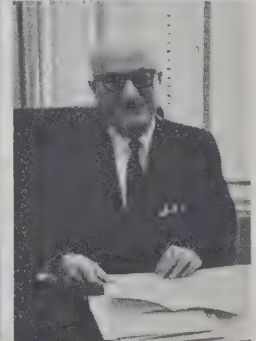
J. D. MOLSON



M. S. HANNON



G. W. HODGSON



S. GODIN



H. C. PINDER



G. D. GLANVILLE



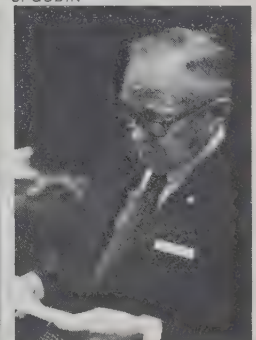
M. McMURRAY



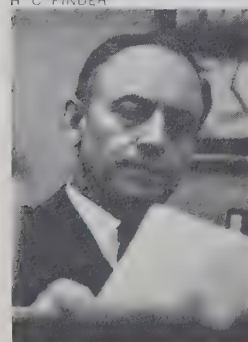
J. M. GODFREY



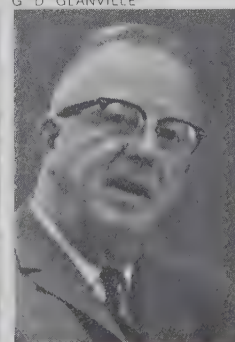
R. deW. MACKAY



S. STEINBERG



D. J. PEACHER



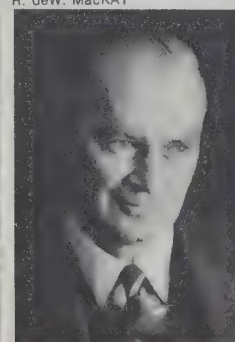
D. A. THOMPSON



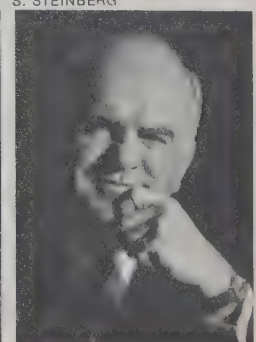
F. V. STONE



D. K. YORATH



J. T. KENNEDY



H. A. SMITH

Board of Directors

as of January 30, 1970

***STUART A. COBBETT**

Chairman of the Board

***FRANK E. CASE**

President and Chief Executive Officer

***MATTHEW S. HANNON, Q.C.**

Chairman of the Executive Committee

Messrs. Ogilvy, Cope, Porteous,
Hansard, Marler, Montgomery & Renault

***GORDON W. HODGSON**

Executive Vice-President

JAMES G. HAXTON

Vice-President

CLARENCE E. ATCHISON

President and Chief Executive Officer

The Investors Group

A. ÉMILE BEAUVAIS, C.A., D.F.Sc.

Chairman of the Board and Chief Executive Officer
Donohue Brothers Limited

GEORGE R. BERRY

Vice-President and General Manager

Metropolitan Life Insurance Company

KENNETH H. BROWN, O.B.E., Q.C.

Messrs. Lafleur & Brown

GEORGE L. CARRUTHERS

President

Kimberly-Clark of Canada Limited

PAUL G. DESMARAIS

Chairman

Power Corporation of Canada, Limited

HON. GEORGE B. FOSTER, Q.C.

Messrs. Foster, Leggat, Colby & Rioux

GEORGE D. GLANVILLE

President

Woodward Stores Limited

JOHN M. GODFREY, Q.C.

Messrs. Campbell, Godfrey & Lewtas

SÉVÈRE GODIN

President

Allied Enterprises Limited

WILFRED N. HALL

Retired

GERALD H. D. HOBBS

Chairman of the Board

Western Canada Steel Limited

J. TAYLOR KENNEDY

President and General Manager

Canada Cement Company, Limited

R. deWOLFE MacKAY, Q.C.

Messrs. Duquet, MacKay, Weldon

Bronstetter, Willis & Johnston

***MacKENZIE McMURRAY**

President and Chief Executive Officer

Dominion Bridge Company, Limited

J. WILLIAM E. MINGO, Q.C.

Messrs. Stewart, MacKeen & Covert

J. DAVID MOLSON

Chairman of the Board and President

Canadian Arena Company

T. ROSS MOORE

Chairman of the Board and President

The Price Company Limited

***GAETAN C. MORRISSETTE**

Chairman of the Board and Chief Executive Officer

Standard Brands Limited

DOUGLAS J. PEACHER

President

Simpsons-Sears Limited

HERBERT C. PINDER

Secretary-Treasurer

The Saskatoon Drug and Stationery Company Limited

JOHN J. SAUCIER, Q.C.

Messrs. Saucier, Jones, Peacock, Black,

Gain, Stratton & Laycraft

ALBERT E. SHEPHERD, Q.C.

Messrs. Shepherd, McKenzie, Plaxton,

Little & Jenkins

HERSHELL A. SMITH, D.S.O., M.C.

President

Sooke Forest Products Ltd.

CHARLES E. STANFIELD

Vice-President and Director

Stanfield's Limited

SAM STEINBERG

Chairman of the Board and Chief Executive Officer

Steinberg's Limited

***FRED V. STONE**

Chairman — Coal Committee

Canadian Pacific-Cominco

DONALD A. THOMPSON, Q.C.

Messrs. Thompson, Dilts & Company

JOHN A. TORY, Q.C.

Messrs. Tory, Tory, DesLauriers & Binnington

DENNIS K. YORATH, M.B.E.

Chairman of Executive Committee

International Utilities Corporation

***Executive Committee Member**

Officers

STUART A. COBBETT
Chairman of the Board
FRANK E. CASE
President and Chief Executive Officer
MATTHEW S. HANNON, Q.C.
Chairman of the Executive Committee
GORDON W. HODGSON
Executive Vice-President
JOHN E. MAIN
Vice-President and General Manager
GEORGE A. GOAD
Vice-President, Head Office
GEORGE STEPHEN
Vice-President, Head Office
LLOYD N. WHITTEN
Vice-President, Head Office
JAMES N. BELL
Vice-President, Vancouver
JAMES G. HAXTON
Vice-President, Toronto
J. KENNETH ALLISON
Assistant General Manager
JOHN H. BAKER
Assistant General Manager
JOHN J. DAVIDSON
Assistant General Manager
DONALD R. KESTER
Assistant General Manager
ROBERT W. LINSLEY
Assistant General Manager
DOUGLAS B. MACKLAIER
Assistant General Manager
HAROLD T. MARTIN
Assistant General Manager
DOUGLAS A. MERCER
Assistant General Manager
J. GRANT PATERSON
Assistant General Manager
DOUGLAS T. WAITE
Assistant General Manager
WILLIAM B. WALKER
Assistant General Manager
J. KEVIN REYNOLDS
Secretary
J. GORDON TELFER, C.A.
Comptroller

Advisory Boards

as of January 30, 1970

BROCKVILLE, ONT.

*G. T. Fulford
J. R. Anstis
T. C. Cossitt, M.A.
J. W. Langmuir
T. A. Lindsay
H. A. Reynolds

HALIFAX, N.S.

*A. E. Johnson
S. S. Jacobson
S. W. Kenney
J. W. E. Mingo, Q.C.
W. O. Morrow
G. D. Stanfield

NEWFOUNDLAND

*C. A. Pippy
P. D. Bowring
Hon. J. C. Crosbie
D. C. Hunt, Q.C.
Hon. P. J. Lewis, Q.C.
J. R. Parsons, C.P.A.
F. J. Ryan, Q.C.

SAINT JOHN, N.B.

*H. C. Wilson
J. W. Black
Hon. H. J. Flemming, P.C., M.P., LL.D.
H. H. Gunter, Q.C.
J. H. Kent
L. S. Morrison
G. F. Spencer
F. S. Taylor, Q.C.

TRURO, N.S.

*C. E. Stanfield
H. F. Bethel
R. A. MacGregor
C. G. MacLennan
K. P. Richard
P. J. Wilcox
W. H. Yeadon

WINNIPEG, MAN.

*D. A. Thompson, Q.C.
H. C. Ashdown
C. Lowe
F. O. Meighen, Q.C.
C. S. Riley
D. Sprague, F.C.A.
A. Sweatman, Q.C.

*Chairman

Head Office

777 Dorchester Blvd. West, Montreal 113, Quebec

Offices

BROCKVILLE, ONT.	W. P. Lewis, Manager
CALGARY, ALTA.	H. T. Martin, Manager
CHARLOTTETOWN, P.E.I.	C. A. Stokes, Manager
EDMONTON, ALTA.	B. Reece, Manager
Capilano Mall	Mrs. M. E. McCreary, Savings Manager
HALIFAX, N.S.	G. C. McDonell, Manager
HAMILTON, ONT.	D. C. Field, Special Representative
KELOWNA, B.C.	C. A. Irish, Manager
LONDON, ONT.	A. E. Hetherington, Manager
MONTREAL, QUE.	W. B. Walker, Manager
	W. K. Proctor, Deputy Manager
	W. W. Denman, Savings Manager
Pointe Claire	B. O'Malley, Manager
OTTAWA, ONT.	K. A. Douglas, Manager
PRINCE GEORGE, B.C.	J. C. V. Gravel, Q.C., Manager
QUEBEC, QUE.	M. E. L. Sims, Manager
REGINA, SASK.	F. J. Turnbull, Manager
SAINT JOHN, N.B.	L. K. Lawes, Manager
ST. JOHN'S, NFLD.	R. E. Foster, Manager
SASKATOON, SASK.	J. F. Visser, Manager
SUDBURY, ONT.	D. T. Waite, Manager
TORONTO, ONT.	R. Bond, Deputy Manager
	Mrs. R. M. Kennedy, Savings Manager
Eglinton Ave. E.	E. K. Urwin, Manager
TRURO, N.S.	R. W. Linsley, Manager
VANCOUVER, B.C.	O. F. A. Oram, Deputy Manager
	R. D. Henderson, Savings Manager
Oakridge Shopping Centre	D. H. Baird, Manager
VICTORIA, B.C.	W. F. O'Connor, Manager
WINDSOR, ONT.	F. L. Mason, Manager
WINNIPEG, MAN.	

OVERSEAS

Bermuda — Montreal Trust (Bermuda) Limited	Hon. C. Vail Zuill, President
Nassau — Montreal Trust Company (Bahamas) Limited	J. H. Gaffney, President

AGENCIES

London, Eng. — The Royal Bank of Canada Trust Corporation Limited	C. F. Stuart, Managing Director
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Commercial fishing—Vancouver, British Columbia.

